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ABSTRACT

This paper traces the changing concepts in school finance that have implemented equality of education in New York State. Some financing methods are reviewed such as the foundation program approach -- State and locally financed minimum dollar level; State financing of schools; and a voucher system with its variations. The paper also considers the problem of defining equality. (Author/JF)

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PROBLEMS CONNECTED WITH EQUALIZATION OF EDUCATIONAL OPPORTUNITY

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FOREWORD

Equality of educational opportunity is a goal which has influenced the financing of education in New York State since a free public school system was instituted. It has taken on different meanings as society has changed. The process of evolution is still far from complete as witness the current ferment of ideas ranging from special aids and weightings through the voucher system to full state financing. This brief review, prepared by John W. Polley with the assistance of staff members in the Bureau of Educational Finance Research traces the changing concepts in school finance which have implemented this powerful idea in New York State.

The leadership of the State in education and in educational finance has been unquestioned for many years. The willingness to examine new concepts, to evaluate them carefully, and to implement them when they are shown to be useful is a requisite for that continued leadership. Hopefully this paper will contribute to the examination and implementation of a sound course of action. It is especially timely in that the Commission on Cost, Quality and Financing of Education is now at work on a broad review of public elementary and secondary education in the State.

Stanley L. Raub, Associate Commissioner
Educational Finance and Management Services

PROBLEMS CONNECTED WITH EQUALIZATION OF EDUCATIONAL OPPORTUNITY

A definition of equalization of educational opportunity is extremely difficult in this time of rapidly shifting social relationships. Any final definition is likely to be highly controversial. However, practically such a definition is made in each session by the legislatures in each of the 50 states. Therefore it is useful to examine the concept as it has evolved over a period of years.

The concept was certainly present in 1812 when a system of common schools under a State Superintendent of Common Schools covering the entire area of New York State was instituted. These schools were to be supported by State funds matched equally by local taxation. Unfortunately the funds did not cover costs and rate bills in the form of tuition charges persisted for another 50 years. It was not until 1867 that the rate bill was abolished and free common schools achieved. The concept of equalization was extended with the development of a system of free high schools over the later portion of the 19th century.

As some states began to provide significant funding for education beyond that available from property taxation in the local district, the need for a theory on which to base action became more pressing. Cubberley, in his major analysis of state financing 1905, advocated a weak fiscal equalization. Under his plan poor districts would receive minor additional funds because they were low in property valuation per pupil, and all districts would receive subventions to encourage numerically more adequate staffing.

As Burke states it "the early equalization schemes were developed for very primitive or simple operations -- they presumed one teacher schools and a rudimentary elementary school program."

What perceptive individuals in the early 1900's thought of as a task involving a few hundreds of thousands of dollars of state funds, in each state changed into an undertaking involving many millions by the 1920's when the present basic system emerged.

This system has been called the foundation program approach and with many variations has guided the development of school finance from that time to this. It consists of a set number of dollars defined in legislation and assured to each district by a combination of state aid and a given level of local taxation which is constant among all districts. There is, of course, authority to supplement this foundation program through local effort. This produces inequalities in per pupil revenues, arising from differences in local taxable resources and from differences in the willingness of local citizens to support education.

Mort, writing in the late 1950's, defined equality of opportunity as follows:

> Equality of educational opportunity is a principle that is fundamental in American education -- a principle based upon the assumption that our democracy is best served by extending to all children an equal minimum opportunity to attend schools adequate for the achievement of self-realization, economic efficiency, civil efficiency and efficiency in human relationships.
>
> Equality of educational opportunity means not an identical education for all children, but the provision by state and local means of at least certain minimum essentials of financial support. The acceptance of education as a function of the state

and the insistence that, in the main, certain minimum educational standards are the concern of all the people in the state rather than that of certain minorities make it incumbent upon the state to provide the machinery through which the principle may be effectively realized. The classical statement of the implications of the principle of equality of educational opportunity, as given by the Educational Finance Inquiry Commission in 1923, recognized the obligation of the state to require at least minimum schooling for all the children, to place the support of this minimum schooling squarely on the resources of the state, and to make supervision an important element in the state's program. *

The achievement of equalization of educational opportunity by the provision of somewhat adequate state and locally financed minimum level of dollars was not quick. Efforts at this had been going on for many years. These came to a climax in the pressing need for funds which occurred in the 1920's. Following a decade of special aids for such things as physical education, farm schools, and industrial education and the rapid increase in the costs of education, the National Educational Finance Inquiry was mounted. One of the states studied was New York. About the same time the Committee of Twenty-one developed the Rural School Survey, an eight-volume study, in which Updegraff proposed aid in relationship to tax effort. The Legislature had in 1919 established the Special Joint Commission on Taxation and Retrenchment. As a result of the continued studies of this Commission over the period of the 1920's, Mort in 1925 proposed refined measures of educational need and defined and set a minimum program. Mort extended this work through the Friedsam Commission in 1929 and 1930. The essential elements of the equalization program under which schools presently operate were defined in that period.

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*Mort, P.R., Reusser, W.C., and Polley, J.W. Public School Finance, New York, McGraw Hill, 1960

Yet this concept didn't offer a guarantee that anything other than a relatively low minimum number of dollars would be equalized -- and this only as well as the property system functioned. Typically, expenditures have varied tremendously from district to district, usually closely in accordance with the level of taxable resources in the local district.

This led to a rule of thumb used extensively by some school finance people over a period of years from the 1930's on. When educational expenditures vary by more than 25 percent from the top to the bottom it is time to readjust the level of the foundation program upward. The inequalities created by fiscally able districts expanding their provision for education has in the past two decades provided a powerful stimulus for redefining and increasing the State's minimum program.

The concept of equalization has had a wide variety of side effects. It is premised on local control of education. Mort, troubled by the need to provide funds for all districts and not just the poor evolved the theory of adaptability which includes the concept that the more able districts tend to pioneer innovation. It has also led to widespread consolidation of school districts to even out local resources and to bring about more effective utilization of these resources.

In recent years, the fact that equality of educational opportunity can be defined as a set minimum number of dollars has been called into serious question.

The confusion over the question of what constitutes equality has been compounded by the fact that basic measures which determine the distribution under any system, whether it be a state-local sharing or an entirely state financed system, are not and probably, can never be defined to everyone's satisfaction.

For many years the "need" measure has been defined in terms of one student equals one unit of need. While this was never completely true, in a less complex time such a measure was acceptable. While it is unlikely that the need for education by a given individual will ever be measured precisely, present knowledge should enable differentiation among broad groups of students.

A number of specific suggestions have been made for changing the unit of need. One is to substitute a per capita for a per pupil grant. The basic difficulty with this is that the educational system is not presently concerned with the total population of the community but only with children of elementary and secondary school age. Higher education is financed separately. Children of elementary and secondary school age are much more highly concentrated in certain communities than in others. Normally the suburbs in New York State contain a higher proportion of public elementary and secondary school students than do other types of districts.

It has been suggested that the use of enrollment rather than attendance would improve the measure. This argument is based on the fact that those communities which have the most difficult children to

educate, normally the cities, have both the highest rates of absenteeism and the highest dropout rates.

Still another suggestion is that the need measure can be improved by giving a weighting for certain groups of children; e.g., the disadvantaged, or those in occupational education, or those who are handicapped. In essence this is already done at least to a degree through ESEA, Title I and the State Urban education program. The use of a weighting would tend to change the categorical nature of the present programs to general aid programs although this would not of necessity be so. Furthermore, whatever the system of weightings, it would be important to insure that duplication is avoided. For example, an economically disadvantaged student may also enroll in an occupational course.

The ability measure has also been called into question. Ability is presently based on property valuation in New York State. Property values become less and less an adequate measure of wealth. Generally, property remains, however, the only part of the tax base available for use by school districts. The only other measure would be income and this presents almost as many problems of measurement as does property, including that of incidence and a most difficult administrative problem; namely, that income figures are not available by school district.

Redefinition of the unit of need might remove much of the objection to the use of property valuation as the measure of wealth.

Shifting to another local measure of wealth such as income doesn't seem especially desirable as long as school districts may tax property only.

As an alternative to revising and repairing the present system the proposal for complete state financing of schools has been revived. Most Southern states operate on some variation of that theme at present. Delaware, an industrialized state like New York, depends on approximately 80 percent state financing and has done so since the early 1920's. Hawaii, a state much different than New York, is a 100 percent state financed system.

Complete state financing of education must be judged on tax and administrative considerations as well as in the context of centralized versus decentralized governmental structure. It does not automatically provide for equality of educational opportunity even though it may provide for an apportionment of approximately equal dollars per child in every community.

Providing for complete statewide financing will tend to eliminate some of the worst of the inequalities due to variations among districts in property valuations. It will not assure that each child has equal access to educational resources, however. From the point of view of state equalization this must depend on the definition of need adopted. A child from a ghetto area may need more education than does a child from a wealthy suburban community to bring him to a given level of competence.

In recent years for a variety of reasons and there are many, there have been a number of radically new proposals for financing education. The ferment in school finance is perhaps greater than ever before including the battles over the rate bill and the equalization efforts of the 1920's. The concept of equalization of educational opportunity has taken on a new meaning. As currently stated it means that every child shall have access to a minimum amount of funds necessary to educate him for responsible citizenship.

How to achieve this is a more difficult matter than developing a definition. Shall some new measure of educational need be devised and written into the law as was done in the 1920's in New York State? Shall the district system which first evolved in New York State in 1812 be abolished? If the district system is retained, shall there be a recognition of the relationship between the need for educational aid and the need for other municipal services in the local school district? Shall the parent be made responsible for determining the level of his child's educational need and be enabled to meet that need?

Among the first of the new proposals to emerge is a call for a voucher system. Originally it was advocated as a means of overcoming the monopoly characteristics of the public schools and of increasing competition. More recently a variable voucher has been advocated as providing a means of equalizing the opportunity for the education of the poor, especially those caught in the ghetto areas of the cities or those in smaller districts where local resources make any program but the barest minimum impossible. Many variations of this theme

have been presented.

District power equalizing is a different kind of plan and resembles in some part the present New York State system plus high tax aid. Variations on this theme exist presently in Wisconsin and Rhode Island. A poor district with an interest in education as measured by its tax effort would be enabled to support the same level of program fiscally as a rich district with the same tax effort. The choice of what tax effort beyond a required minimum would be made would be left to the community.

Greatly oversimplified, the family power equalizing plan originated by Clune, Sugarman, and Coons is described below. The plan has its genesis in the attempt to assure the same level of educational opportunity for the poor as for the well-to-do.

Local, political units (the districts) would be eliminated. However, both public and private schools would be permitted. The entire system would be state operated. The level of spending for education would be set by the state. Several different levels would be designated. The parent could then choose the level of spending by his choice of the school his child would attend. Parents willing to make the greatest financial sacrifices would send their children to the highest cost schools. Parents would pay an educational tax which would be progressive and would vary according to the cost of the school selected. There would, however, be a

ceiling on the taxation at approximately twice the most expensive class of school permitted.

The family's yearly educational tax liability would range from nearly zero to $3,400. This would not, of course, fund the entire system. The funding would be based on the state income tax, thereby eliminating the property tax for school purposes.

It would appear that the equalization of educational opportunity has meant a variety of things over the past 200 years. From a beginning when a free common school education was the goal, it has been gradually extended to include high school education and to broaden the base of the adequacy of provision right on up to the present. The goal has always been expanded to include more education for more children. The present challenging concepts should continue to move the provision of education in this same direction.